

# Bidding and Award of Construction Contracts

This guide provides information to assist project sponsors in bidding projects and receiving Department of Health and Environmental Control (DHEC) approval to award contracts that meet the requirements for SRF funding. Complying with the following guidelines will help to assure procurement integrity is maintained and will aid in DHEC contract approval. To prevent confusion about the State Revolving Fund (SRF) eligibility of any portion of project work, it is recommended that project sponsors receive DHEC approval of the project's plans and specifications before advertising for bids and also prior to executing a construction contract. If project sponsors elect to execute a construction contract without approval, they do so "at their own risk".



## **BIDDING**

Project sponsors are required to competitively bid their projects. The project sponsor shall:

- ☐ Advertise publicly in local newspapers of general circulation, publications targeting minority or women owned businesses, and statewide or regional newspapers of general circulation. Advertise for a minimum of thirty (30) days in advance of bid opening. The ad should include the following information:
  - ☐ A complete statement of the work to be performed.
  - ☐ Location of the bid documents.
  - ☐ A statement that the project is being funded by a loan from the State Revolving Fund and that bidders must comply with all applicable state and federal requirements identified in the bid documents.
  - ☐ A statement informing the prospective bidders of the project's disadvantaged business enterprise (DBE) goals.
  - ☐ A statement that prospective bidders must implement procedures that ensure that DBE firms are given opportunities for meaningful participation if subcontracts are awarded.
- ☐ Modify bid documents only by written addenda, which requires prior DHEC approval.
- ☐ Hold a public bid opening.
- ☐ Use competitive sealed construction bids; at least two bidders must participate.
- ☐ Require at least a five percent (5%) bid bond or certified check. It is the responsibility of the project sponsor's attorney to review the bid bond for accuracy and completeness.



- ☐ Require a one hundred percent (100%) payment bond and performance bond. It is the responsibility of the project sponsor's attorney to review the payment and performance bonds for accuracy and completeness.
- ☐ Require the contractor to provide fire, extended coverage, vandalism and malicious mischief insurance equal to the actual value of the insured property during construction. It is the responsibility of the project sponsor's attorney to review the insurance documents for accuracy and completeness.
- ☐ If other funding sources are used which have stricter bidding requirements or if applicable federal, state, or local laws or ordinances have stricter requirements, these stricter requirements govern.
- ☐ Follow the "good faith" strategies outlined in the "Disadvantaged Business Enterprise (DBE) Compliance" section of the Federal Requirements guide to aid in successfully meeting the DBE requirements.

### **After Bid Opening**

DHEC must concur in the project sponsor's construction contract award. It is recommended that project sponsors receive DHEC approval prior to executing a construction contract to prevent any confusion about SRF eligibility. The project sponsor shall provide DHEC with a bid package consisting of the following items:

- ☐ "Project Construction Summary" (DHEC Form 3589), see Appendix, signed by the project sponsor's representative.
- ☐ A certified copy of the advertisement with date of publication.
- ☐ A copy of the detailed bid tabulation certified by the project sponsor's engineer.
- ☐ Proposal of the successful bidder(s).
- ☐ Bid bond.
- ☐ Two (2) copies of the engineer's award recommendation of low bidder(s) to the project sponsor listing the proposed contract amount. If award is recommended to other than low bidder(s), provide justification for this decision.
- ☐ Certified copy of the project sponsor's tentative award resolution listing the proposed contractor(s) and contract amount(s).
- ☐ "Prime Contractor's Subagreement Certification" (DHEC Form 3591). (See "Disadvantaged Business Enterprise Compliance" in Federal Requirements guide)
- ☐ Evidence that the low bidder(s) complied with the DBE requirements listed in the bid documents. DBE approval must precede bid package approval. (See "Disadvantaged Business Enterprise Compliance" in Federal Requirements guide)
- ☐ Prime contractor's Equal Employment Opportunity (EEO) documentation (DHEC Form 3592) required by Executive Order 11246 from the bid documents. (See "Equal Employment Opportunity Compliance" in Federal Requirements guide)

- ☐ Subcontractor's EEO documentation (DHEC Form 3592) required by Executive Order 11246 from the bid documents if their contract amount is expected to be in excess of \$10,000. (See "Equal Employment Opportunity Compliance" in Federal Requirements guide)
- ☐ Prime contractor's certification (DHEC Form 3590) that they are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participating in a contract using federal funds. (See "Parties Excluded from Federal Procurement and Nonprocurement Programs" in Federal Requirements guide)
- ☐ Subcontractor's certification (DHEC Form 3590) that they are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participating in a contract using federal funds if their contract amount is expected to equal or exceed \$25,000. (See "Parties Excluded from Federal Procurement and Nonprocurement Programs" in Federal Requirements guide)
- ☐ Documentation outlining how the project sponsor will provide continuous inspection during construction such as:
  - An executed engineering services agreement; or
  - A contract with an independent construction inspector along with a copy of the proposed inspector's qualifications and a plan for back-up assistance if needed; or
  - A statement from the project sponsor that construction inspection will be performed by the project sponsor's staff. This statement should include the names and qualifications of the proposed inspectors. Please note that force account work (i.e., any work performed by the project sponsor's own employees) is ineligible for SRF funding.

## **EQUIPMENT/MATERIAL PROCUREMENT**

Under Section 11-35-50 of the South Carolina Consolidated Procurement Code, Act 148 of 1981, all South Carolina political subdivisions are required to have and use a procurement ordinance or procedures that embody sound principles of appropriately competitive procurement. Project sponsors should follow their own established procurement policy when purchasing equipment and/or materials. Equipment and/or materials purchased *directly* by the project sponsor is eligible for loan participation provided:

- ☐ The equipment/material is determined to be technically eligible by the SRF project manager.
- ☐ A copy of the equipment/material contract or purchase order is submitted for purposes of cost-documentation.
- ☐ The mandatory SRF Contract Documents (Federal requirement provisions) are added to the equipment/material contract or purchase order. (See "Permit Application . . ." guide)
- ☐ The documentation required by the Federal requirement provisions is submitted for the selected equipment/material supplier and approved by DHEC.

Prior to any disbursement of funds for equipment and/or materials, an equipment and/or materials line item must be established in the budget of the loan agreement.

## **APPENDIX**

### **Project Construction Summary (DHEC Form 3589)**



**STATE OF SOUTH CAROLINA**  
**STATE REVOLVING FUND (SRF) PROGRAM**  
**PROJECT CONSTRUCTION SUMMARY**

This questionnaire/check sheet is furnished as an administrative aid and is suggested for use in supplying required information and documents as well as for reporting minor changes. After taking bids for construction contracts, this complete package should be forwarded to the SC Department of Health and Environmental Control, Water Facilities Permitting Division, SRF Section, 2600 Bull Street, Columbia, SC 29201.

1. Project Name and Number:

\_\_\_\_\_

2. Sponsor's Name and Address:

\_\_\_\_\_  
\_\_\_\_\_

3. Sponsor's Representative (Mayor, City Manager, etc.):

\_\_\_\_\_

Telephone Number: \_\_\_\_\_

4. Have there been any changes in the project since the plans and specifications were approved?  
If yes, list below:

Addendum No. \_\_\_\_\_ Approved \_\_\_\_\_

Addendum No. \_\_\_\_\_ Approved \_\_\_\_\_

Addendum No. \_\_\_\_\_ Approved \_\_\_\_\_

5. Please list any other sources of funding necessary to finance this project. Are additional funds necessary to finance ineligible construction or other ineligible expenditures?

\_\_\_\_\_

6. Bid Information:

Bid Advertisement Date \_\_\_\_\_

Bid Opening Date \_\_\_\_\_

Bid Expiration Date \_\_\_\_\_

7. Date of SRF Loan Application: \_\_\_\_\_

8. Attach the following:

- a. Project Construction Summary form signed by the Project Sponsor's Representative.
- b. A certified copy of the advertisement with date of publication.
- c. A copy of the detailed bid tabulation certified by the Project Sponsor's engineer.
- d. Proposal of the successful bidder(s).
- e. Bid bond.
- f. Two (2) copies of the engineer's award recommendation of low bidder(s) to the Project Sponsor listing the proposed contract amount. If award is recommended to other than low bidder(s), justification for this decision.
- g. Certified copy of the Project Sponsor's tentative award resolution listing the proposed contractor(s) and contract amount(s).
- h. Prime Contractor's Subagreement Certification form from the bid documents.
- i. Evidence that the low bidder(s) complied with the Disadvantaged Business Enterprise (DBE) requirements listed in the bid documents. DBE approval must precede bid package approval.
- j. Prime Contractor's Equal Employment Opportunity (EEO) Documentation Required by Executive Order 11246 from the bid documents.
- k. Subcontractor's EEO Documentation Required by Executive Order 11246 from the bid documents if their contract amount is expected to be in excess of \$10,000.
- l. Prime Contractor's debarred certification (form located in the bid documents) that they are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participating in a contract using federal funds.
- m. Subcontractor's debarred certification (form located in the bid documents) that they are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participating in a contract using federal funds if their contract amount is expected to equal or exceed \$25,000.
- n. Documentation outlining how the Project Sponsor will provide continuous inspection during construction such as:
  - i. an executed engineering services agreement; or
  - ii. a contract with an independent construction inspector along with a copy of the proposed inspector's qualifications and a plan for back-up assistance if needed; or
  - iii. a statement from the Project Sponsor that construction inspection will be performed by the Sponsor's staff. This statement should include the names and qualifications of the proposed inspectors. Please note that force account work (i.e., any work performed by the Project Sponsor's own employees) is ineligible for SRF funding.

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Signature and Title of Sponsor's Representative

Date